Growth Centre at Pauri District, Uttaranchal

*129. SHRI MANOHAR KANT DHYANI: Will the Minister of COMMERCE AND INDUSTRY be pleased to refer to the answer to Unstarred Question 2247 given in the Rajya Sabha on 11th December, 2000 and state:

(a) the action taken by the State Government so far with regard to the setting up of growth centre in Pauri District of Uttaranchal; and

(b) by when this growth centre is likely to be started?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) and (b) Government of Uttaranchal has informed that since the earlier proposal to set up a Growth Centre at Padampur-Kotdwara was not found suitable, hence, a feasibility study for an alternative location is being carried out.

The State Government of Uttaranchal would apprise the Government of India after receipt of the study report and its decision in this regard.

Aid to UTI

*130. SHRI RAJU PARMAR:
SHRI BHAGATRAM MANHAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to shell out a sum of over Rs. 5,000/- crores to the Unit Trust of India (UTI) as recommended by a High Powered Committee; and

(b) if so, what are the details of the amount to be used by the UTI for various schemes and to what extent the small investors are likely to be benefited?

Original notice of the Question was received in Hindi.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) No such recommendation has been received.

(b) Does not arise.

Reduction in Interest Rates on Credits

*131. DR. KARAN SINGH:
SHRI C.M. IBRAHIM:

Will the Minister of FINANCE be pleased to state:

(a) whether at the meeting of the Council of Trade and Industry held in New Delhi on September 7, 2001, the Government assured the industry to consider their unanimous demand for reduction in interest rates on credit and a realistic exchange rate to step up investments;

(b) if so, what decisions have since been taken in this regard; and

(c) in what manner it has affected the interest of common depositors with banks and financial institutions and the overall public savings scenario?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The deliberations of the Council of Trade and Industry and other such advisory bodies provide useful inputs to Government policy making. However, no specific assurance was given by the Government on the direction of interest rates or exchange rates at the September 7, 2001 meeting.

(b) With progressive deregulation of interest rates, banks now have considerable flexibility to decide their deposit and lending rate structures and manage their assets and liabilities with greater efficiency. On he lending side, banks are free to prescribe their own lending rates including the Prime Lending Rate (PLR). On the deposit side, banks have been given the freedom to offer a fixed rate or a floating rate.

Effective from April 19, 2001, commercial banks have also been